

BILL ANALYSIS

Senate Research Center

H.B. 1376
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Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Recently, there has been a significant increase in the number of freestanding emergency medical facilities operating in the state. These facilities often offer the same services as a hospital-based emergency room, but are usually less crowded and more readily accessible.

Some hospital-owned-and-operated freestanding emergency medical facilities are being advertised as urgent care clinics, but are billing patients at higher emergency room rates. H.B. 1376 seeks to provide transparency and protect consumers by requiring hospital-owned-and-operated freestanding emergency medical facilities that bill patients at emergency room rates to advertise as emergency rooms. Additionally, it requires these facilities to notify prospective patients that the facility is an emergency room and charges rates comparable to a hospital emergency room.

H.B. 1376 amends current law relating to advertising by certain facilities that provide emergency services and provides an administrative penalty.

[**Note:** While the statutory reference in this bill is to the Texas Department of Health (TDH), the following amendments affect the Department of State Health Services, as the successor agency to TDH.]

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Health in SECTION 1 (Section 241.183, Health and Safety Code) of this bill.

Rulemaking authority is expressly granted to the Department of State Health Services in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 241, Health and Safety Code, by adding Subchapter H, as follows:

SUBCHAPTER H. FREESTANDING EMERGENCY MEDICAL CARE FACILITIES ASSOCIATED WITH LICENSED HOSPITALS

Sec. 241.181. **APPLICABILITY.** Provides that this subchapter applies only to a freestanding emergency medical care facility, as that term is defined by Section 254.001 (Definitions), that is exempt from the licensing requirements of Chapter 254 (Freestanding Emergency Medical Care Facilities) under Section 254.052(7) (relating to providing that certain facilities are not required to be licensed under this chapter, including a facility located within or connected to a licensed hospital or a hospital that is owned and operated by this state) or (8) (relating to providing that certain facilities are not required to be licensed under this chapter, including a facility that is owned by a licensed hospital or a hospital that is owned and operated by this state, and is surveyed as a service of the hospital by an organization that has been granted deeming authority as a national accreditation program for hospitals by the Centers for Medicare and Medicaid

Services or granted provider-based status by the Centers for Medicare and Medicaid Services).

Sec. 241.182. ADVERTISING. Prohibits a facility described by Section 241.181 from advertising or holding itself out as a medical office, facility, or provider other than an emergency room if the facility charges for its services the usual and customary rate charged for the same service by a hospital emergency room in the same region of the state or located in a region of the state with comparable rates for emergency health care services.

Sec. 241.183. POSTED NOTICE. Requires the Texas Department of Health, subject to Section 241.006 (Coordination of Signage Requirements Imposed by State Agencies), to adopt rules for a notice to be posted in a conspicuous place in the facility described by Section 241.181 that notifies prospective patients that the facility is an emergency room and charges rates comparable to a hospital emergency room.

Sec. 241.184. ADMINISTRATIVE PENALTY. Authorizes the commissioner of health to assess an administrative penalty under Section 241.059 (Administrative Penalty) against a hospital that violates this subchapter.

SECTION 2. Requires the Department of State Health Services, as soon as practicable after the effective date of this Act, to adopt rules relating to the notice required under Section 241.183, Health and Safety Code, as added by this Act.

SECTION 3. Effective date: September 1, 2013.